

AMENDED IN SENATE APRIL 4, 2016

SENATE BILL

No. 1381

Introduced by Senator Mendoza

February 19, 2016

An act to add Section ~~17053~~ to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy: ~~33333.5~~ to the Education Code, relating to teachers.

LEGISLATIVE COUNSEL'S DIGEST

SB 1381, as amended, Mendoza. ~~Personal income taxes: credit: teachers. Teachers: grants.~~

Existing law establishes the State Department of Education, under the administration of the Superintendent of Public Instruction, and assigns to the department numerous duties relating to the financing, governance, and guidance of the public elementary and secondary schools in this state.

This bill would establish a grant program under the administration of the department for full-time, credentialed teachers, as defined.

The bill would provide that, commencing with the 2017–18 school year, and each school year thereafter, a full-time, credentialed teacher who has completed his or her first school year of full-time teaching as of the end of that school year would receive a grant of \$1,000 during the next school year. The bill would provide that, commencing with the 2018–19 school year, and each school year thereafter, a full-time, credentialed teacher who has completed 2 school years of full-time teaching as of the end of that school year would receive a grant of \$1,000 during the next school year. The bill would further provide that, commencing with the 2019–20 school year, and each school year thereafter, a full-time, credentialed teacher who has completed 3 school

years of full-time teaching as of the end of that school year would receive a grant of \$2,500 during the next school year. The bill would also provide that, commencing with the 2020–21 school year, and each school year thereafter, a full-time, credentialed teacher who has completed 4 school years of full-time teaching as of the end of that school year would receive a grant of \$2,500 during the next school year. The bill would also provide that, commencing with the 2021–22 school year, and each school year thereafter, a full-time, credentialed teacher who has completed 5 school years of full-time teaching as of the end of that school year would receive a grant of \$5,000 during the next school year. The bill would further provide that, commencing with the 2022–23 school year, and each school year thereafter, a full-time credentialed teacher who has completed 6 or more school years of full-time teaching would receive a grant of \$5,000 during the next school year.

The bill would specify that a qualifying teacher may receive grants under these provisions in multiple school years, but would prohibit a teacher from receiving more than one grant in a school year under these provisions.

The bill would require the department to submit a report to the Legislature on or before July 1, 2022, on the effectiveness of the grant program.

~~The Personal Income Tax Law allows various credits against the taxes imposed by that law.~~

~~This bill would, for taxable years beginning on or after January 1, 2017, allow a credit under the Personal Income Tax Law in an amount equal to \$5,000 to a qualified taxpayer, as defined to include specified full-time teachers. This bill would state the intent of the Legislature to enact legislation to provide that the credit amount in excess of tax liability would be refundable in those years in which an appropriation for that purpose is made by the Legislature and includes findings relating to that appropriation.~~

~~This bill would take effect immediately as a tax levy.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) In the last decade, there has been a 70-percent drop in the
2 number of people preparing to become California teachers. Last
3 year, 22,000 new credentialed teachers were needed, but only
4 15,000 were acquired.

5 (b) California has the highest pupil-teacher ratio in the nation,
6 and the gap widened during the budget cuts. By 2013, the state's
7 pupil-teacher ratio reached 24 to 1, compared to the national
8 average of 16 to 1.

9 (c) According to the California Teachers Association, nearly
10 one in three teachers leave the profession within seven years, 13
11 percent of teachers leave the profession by the end of their second
12 year, and, every year, 10 percent of teachers in high-poverty
13 schools transfer to other schools.

14 (d) California's registered voters consider the shortage of K–12
15 teachers a very serious problem, according to a poll commissioned
16 by EdSource and the Learning Policy Institute. The survey of 1,002
17 registered voters statewide found there is strong support (85
18 percent) for having the state offer additional scholarships or
19 partially forgive a teacher's college loans as a way to increase
20 the number of those entering the teaching profession.

21 (e) A 1997 study by S. Paul Wright, Sandra P. Horn, and
22 William L. Sanders studied teachers and their classroom effects
23 on pupil achievement. Through their results, they found that the
24 most important factor affecting pupil achievement is the teacher,
25 and that improving the effectiveness of teachers can improve
26 education for children (Wright, Horn, and Sanders, 1997). A 2011
27 study conducted by Raj Chetty, John N. Friedman, and Jonah E.
28 Rockoff suggested that pupils with effective teachers are more
29 likely to attend college, attend higher-ranked colleges, earn higher
30 salaries, live in higher socioeconomic status neighborhoods, and
31 save more for retirement.

32 (f) A study published by the Learning Policy Institute,
33 Addressing California's Emerging Teacher Shortage: An Analysis
34 of Sources and Solutions, reported that in mathematics and science,
35 the number of credentials awarded to new, fully prepared teachers
36 plunged by 32 percent and 14 percent, respectively, over the last
37 four years (Linda Darling-Hammond, Roberta Furger, Patrick M.
38 Shields, and Leib Sutcher, 2016). Consequently, the amount of
39 underprepared mathematics and science teachers, such as those
40 with temporary permits and waivers and intern credentials,

1 increased by 23 percent and 51 percent, respectively
2 (Darling-Hammond, Furger, Shields, and Sutchter, 2016). In special
3 education, the number of credentials issued decreased by 21
4 percent between school years 2011–12 and school year 2013–14,
5 while substandard permits and credentials decreased by 10
6 percent. Nearly one-half of the special education teachers licensed
7 in California in school year 2013–14 lacked full preparation for
8 teaching (Darling-Hammond, Furger, Shields, and Sutchter, 2016).

9 SEC. 2. Section 33333.5 is added to the Education Code, to
10 read:

11 33333.5. (a) The department shall administer a program
12 providing grants to full-time, credentialed teachers in accordance
13 with all of the following:

14 (1) Commencing with the 2017–18 school year, and each school
15 year thereafter, a full-time, credentialed teacher who has completed
16 his or her first school year of teaching as of the end of that school
17 year shall receive a grant of one thousand dollars (\$1,000) during
18 the next school year.

19 (2) Commencing with the 2018–19 school year, and each school
20 year thereafter, a full-time, credentialed teacher who has completed
21 two school years of full-time teaching as of the end of that school
22 year shall receive a grant of one thousand dollars (\$1,000) during
23 the next school year.

24 (3) Commencing with the 2019–20 school year, and each school
25 year thereafter, a full-time, credentialed teacher who has completed
26 three school years of full-time teaching as of the end of that school
27 year shall receive a grant of two thousand five hundred dollars
28 (\$2,500) during the next school year.

29 (4) Commencing with the 2020–21 school year, and each school
30 year thereafter, a full-time, credentialed teacher who has completed
31 four school years of full-time teaching as of the end of that school
32 year shall receive a grant of two thousand five hundred dollars
33 (\$2,500) during the next school year.

34 (5) Commencing with the 2021–22 school year, and each school
35 year thereafter, a full-time, credentialed teacher who has completed
36 five school years of full-time teaching as of the end of that school
37 year shall receive a grant of five thousand dollars (\$5,000) during
38 the next school year.

39 (6) Commencing with the 2022–23 school year, and each school
40 year thereafter, a full-time, credentialed teacher who has completed

1 *six or more school years of full-time teaching as of the end of that*
2 *school year shall receive a grant of five thousand dollars (\$5,000)*
3 *during the next school year.*

4 *(7) A qualifying teacher may receive grants under this section*
5 *in multiple school years, but no teacher shall receive more than*
6 *one grant in a school year under this section.*

7 *(b) As used in this section, the following terms shall have the*
8 *following meanings:*

9 *(1) “Credentialed teacher” means a full-time teacher*
10 *credentialed pursuant to Sections 80021 to 80025, inclusive, of*
11 *Chapter 1 of Division 8 of Title 5 of the California Code of*
12 *Regulations, if he or she serves as the teacher of record in a*
13 *California public elementary or secondary school for a classroom*
14 *for at least one schoolday during the taxable year in which the*
15 *credit is claimed. “Credentialed teacher” shall not include a*
16 *teacher who solely possesses a 30-day substitute teaching permit,*
17 *as defined in Section 80025 of Chapter 1 of Division 8 of Title 5*
18 *of the California Code of Regulations. “Credentialed teacher”*
19 *shall not include a teacher whose sole public school employment*
20 *as a teacher of record during the school year occurred at a charter*
21 *school established under the Charter Schools Act of 1992 (Part*
22 *26.8 (commencing with Section 47600) of Division 4).*

23 *(2) “Full time” means a minimum of 35 hours per week worked.*

24 *SEC. 3. The State Department of Education shall submit a*
25 *report to the Legislature on or before July 1, 2022, on the*
26 *effectiveness of the grant program established pursuant to Section*
27 *33333.5 of the Education Code as added by Section 2 of this act.*
28 *This report shall be submitted in compliance with Section 9795 of*
29 *the Government Code.*

30 ~~SECTION 1. Section 17053 is added to the Revenue and~~
31 ~~Taxation Code, to read:~~

32 ~~17053. (a) For each taxable year beginning on or after January~~
33 ~~1, 2017, there shall be allowed to a qualified taxpayer a credit~~
34 ~~against the “net tax,” as defined in Section 17039, in an amount~~
35 ~~equal to five thousand dollars (\$5,000):~~

36 ~~(b) For the purposes of this section:~~

37 ~~(1) “Full time” means a minimum of 35 hours per week worked.~~

38 ~~(2) “Qualified taxpayer” means a full-time teacher credentialed~~
39 ~~pursuant to Sections 80021 to 80025, inclusive, of Chapter 1 of~~
40 ~~Division 8 of Title 5 of the California Code of Regulations, if he~~

1 or she serves as the teacher of record for a classroom for at least
2 one schoolday during the taxable year in which the credit is
3 claimed. "Qualified taxpayer" shall not include a teacher who
4 solely possesses a 30-day substitute teaching permit, as defined in
5 Section 80025 of Chapter 1 of Division 8 of Title 5 of the
6 California Code of Regulations.

7 (e) (1) Subject to paragraph (2), in the case where the credit
8 allowed by this section exceeds the "net tax" the excess may be
9 carried over to reduce the "net tax," in the following year, and
10 succeeding years if necessary, until the credit is exhausted.

11 (2) It is the intent of the Legislature to enact legislation to
12 provide that in the case where the credit allowed by this section
13 exceeds the "net tax," the excess, in lieu of the carryforward
14 pursuant to paragraph (1), may be refunded to taxpayers, upon
15 appropriation by the Legislature.

16 (d) Section 41 does not apply to the tax credit allowed by this
17 section.

18 SEC. 2. The Legislature finds and declares that it is the intent
19 of the Legislature that, pursuant to legislation to be enacted by the
20 Legislature, the state would treat an appropriation that would be
21 made as described in paragraph (2) of subdivision (e) of Section
22 17053 of the Revenue and Taxation Code as a tax expenditure
23 program that would have no impact on school funding, state
24 reserves, or debt-related payments. To this end, any appropriation
25 for the refundable portion of the tax credit that would be allowed
26 pursuant to legislation by the Legislature would not reduce state
27 obligations set forth in Sections 8, 20, and 21 of Article XVI of
28 the California Constitution.

29 SEC. 3. This act provides for a tax levy within the meaning
30 of Article IV of the Constitution and shall go into immediate effect.